

Purchasing in Higher Education

Presentation to the Purchasing Laws Interim Committee

September 29, 2015



Idaho State
Board of Education

Current Law

67-5728. PROCURING AND PURCHASING BY STATE INSTITUTION OF HIGHER EDUCATION.

(2) Any state institution of higher education may establish policies and procedures for procuring and purchasing property that shall be substantially consistent with the requirements for procuring and purchasing property as set forth in this chapter and that shall be approved by the state board of education. When the state board of education has approved such policies and procedures for a state institution of higher education, such institution shall not be subject to the provisions of this chapter, except as provided in subsection (3) of this section.

(3) When the state enters into an open contract, no state institution of higher education that has established policies and procedures pursuant to subsection (2) of this section shall fail to utilize such contract without justifiable cause for such action, pursuant to the provisions of subsection (4) of section [67-5726](#), Idaho Code.



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Current Law

- ▶ Section 67-5728 enacted by the legislature in 2010.
 - Eliminated the duplicity of effort between colleges and universities and the Division of Purchasing (DOP).
 - Acknowledged that colleges and universities have many specialized purchasing needs that already required staff to draft the RFP language.
 - Research process and publication necessitated a more streamlined effort.

- ▶ Sunset provision removed by the legislature in 2013.



Current Status

- ▶ Currently, Lewis–Clark State College, Idaho State University and Eastern Idaho Technical College utilize the DOP services for procuring and purchasing property.
- ▶ Boise State University has adopted policies and procedures “substantially consistent” with the State of Idaho requirements for procuring and purchasing property.
- ▶ Community colleges are subject to purchasing requirements established by their locally–elected boards.



Policy Directives

10-02 Waived requirements for competitive solicitations for scientific equipment required for research conducted by Idaho public university and college research departments that enable scientific measurement, readings, tolerances or performance applicable to the research project.

11-06 Determined that competitive solicitation procedures were impractical, disadvantageous and unreasonable when applied to special educational discounts offered by vendors exclusively to schools, colleges, universities, and other educational institutions where the property is for the express purpose of educating students.

- ▶ Property includes, but is not limited to such things as computer software and hardware, audio, video or printed publications, testing and instructional equipment and related supplies, or other specialized training equipment and supplies.
- ▶ Limited to the delegated purchasing authority of the educational institution and not exceed \$100,000 without DOP approval.



State Board of Education Policy

Idaho State Board Of Education Governing Policies and Procedures

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between five hundred thousand dollars (\$500,000) and one million dollars (\$1,000,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding one million dollars (\$1,000,000) require prior Board approval.



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b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.



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State Board of Education Policy

Idaho State Board Of Education Governing Policies and Procedures

SECTION: V. FINANCIAL AFFAIRS

Subsection: K. Construction Projects

1. Authorization Limits

Without regard to the source of funding, before any institution or agency under the governance of the Board begins to make capital improvements, either in the form of alteration and repair to existing facilities or construction of new facilities, it must be authorized based on the limits listed below. Projects requiring executive director or Board approval must include a separate budget line for architects, engineers, or construction managers and engineering services for the project cost.



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Conclusion

- ▶ Current law provides flexibility among the public higher education institutions regarding implementing a procurement and purchasing process that best meets their needs.
- ▶ The Board has enacted additional policies that provide a check on purchases regardless of whether the institution utilizes the services of DOP or conducts its own purchasing process.
- ▶ Institutions would like an opportunity to purchase property or services from vendors in their community for cases in which the cost is equal to or less than an open state contract.

